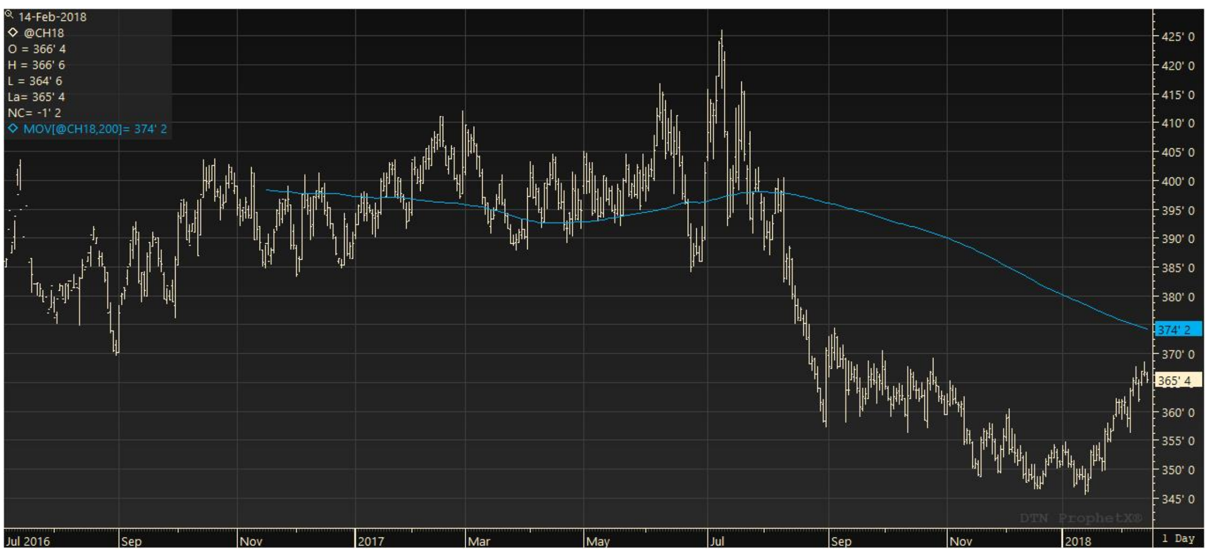
THE ROBINSON REVIEW

Did theGrain Bulls and Technicians just step hoof first into a snare trap?
Absent follow through over the next 3 sessions, grain bulls might be in for a surprise here.
On the plus side, if we can power through the 200-day moving averages in Wheat and Corn--- then this may be the start of a decent grain market in 2018--something we have not seen in about five years.

I am personally cautiously bullish-- mostly because we've held up well despite bearish news from China. China is about to go on a week long holiday, so absent those players in the market, my worry is that we do some back filling.
I'm also worried because psychologically, I'm starting to see clients dig their heels in on their bull stance.
So much so that they don't want to take profits on call options, even though in some cases we've had them on the books for 3 months, and they have finally seen the light of day.
If an option quadruples in value-- why not take some profit off the table and "play with the house" money?
I'm not talking about getting flat or short--- just taking profits.
I often find that human nature is such that when there is a nice profit, a certain percentage of people are psychologically un able to manage a winner. They fall into the "all or nothing category". To me that is folly.
However, for my self directed clients, all I can do is point out strategies. The adage, 'you can lead a horse to water" holds true.
Overnight, we had no follow through to new highs in the grains.
Bears will cite the fact that the US dollar has a bid once again.
Others will cite the fact that the market is "waiting for the fed's inflation numbers".
Today we get CPI. If we have signs of inflation, we could see more fireworks in the bond market and possibly the stock indexes.
For what ever reason, we are parked here, and look to be on the verge of some

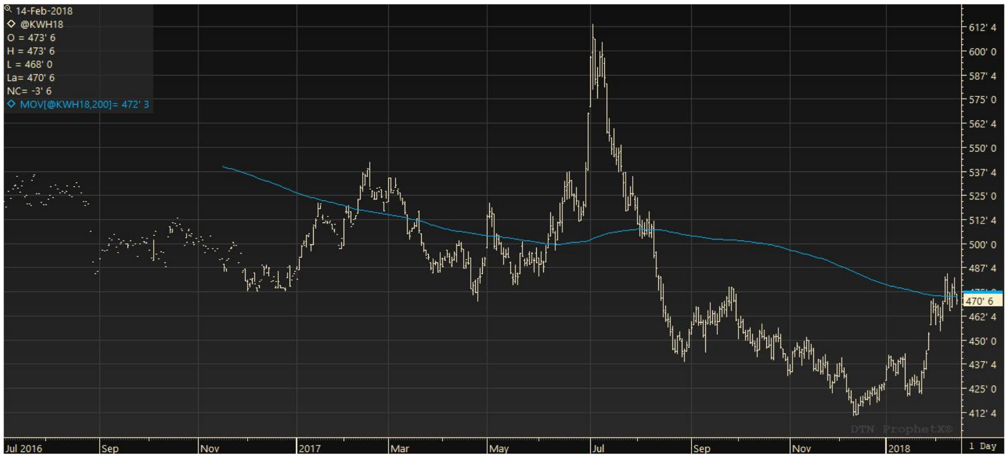
back filling.
I will say this.
Over the past few weeks, I've heard more and more in the general press about the fact that inflation is returning. Based on one Jobs report? Seems more like lazy analysts looking for a magic bullet or something to hit on in their daily talking points.
My point? When Time magazine, CNN and NPR are all giddy about inflation--- it's probably not for real yet.
I could be wrong, but we'll see today.
If inflation is muted, or less frothy than 2%--- you could see an exit from all the people who have been long physical commodities as a hedge-spec.
Don't believe me? Take a look at the crude and cotton charts. You just saw a big pull back in those after making new highs.
Sometimes a market corrects sharply not because of new sellers.. All it really takes is a lack of buyers. Like ticket scalpers outside the Superbowl after the first quarter--- it turns from a sellers market into a buyers market awfully fast.

Corn- Still no love for the 200-day moving average-
Also New Crop CZ--- couldn't breach the "round number effect" yesterday stalling right in front of the $4.00 level. That probably means that every farmer in America has orders to sell $4.00 corn at the elevator.

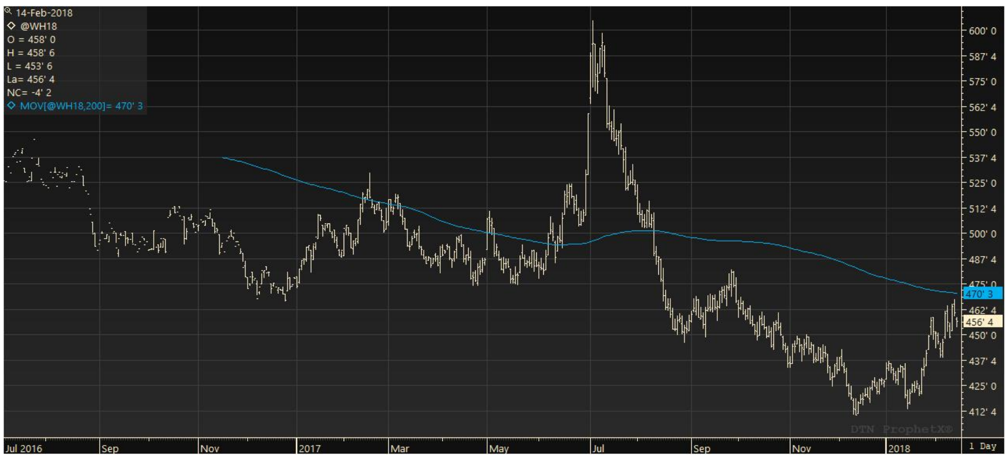


Wheat- Chicago vs. KC
Chicago still can't breach the 200-day.
KC looks over extended a bit--- if the 200-day doesn't hold up-- you could have the funds shave some of their recent long bet in KC.
Since KC has been fueled by drought fears in the plains-- that can be a precarious position if the 12 day forecast suddenly turns "wetter".
Here is KCH Chart--we just peaked out a a 6-month high. Without substantial follow through, we could be in for a nasty pullback. Hedgers- if you'vie been waiting for a

move to set a hedge- I would get on the stick here.

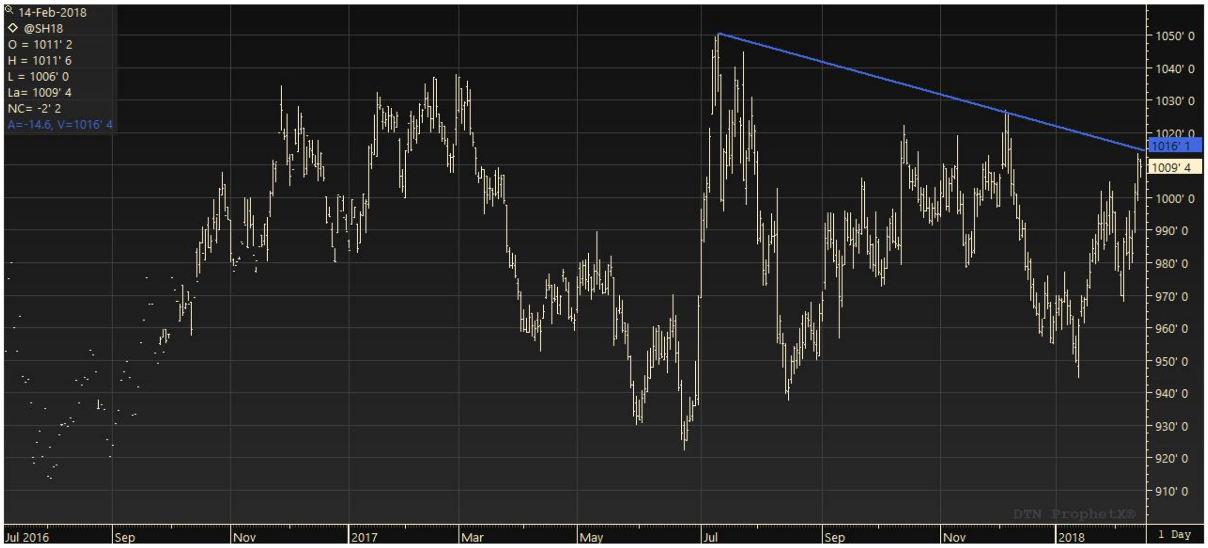


Chicago Wheat. Stuck below the 200-day average



March Beans-- We have had the beans pulled up by the meal's explosive move higher. I shared that chart yesterday.

The story is out in full force on the wires now. Generally when the herd is talking about something every minute-- its a buy the rumor-sell the fact- type of opportunity. Without follow through, you may have some weak longs head for the exits before the week is over so they don't have exposure over the weekend.



You also have a bear-trend line intersection right at $10.14. Good thing no one looks at basic trend lines like that as they look for trades. Bears want to sell it against that line. Bulls have buy stops above it trying to catch the "break out". Personally, I'd be taking profits and locking in with sell stops. If we go higher, raise your stop and ride it.

For bears, this is a golden opportunity to get short and place a tight buy stops. Anyway you look at it-- its a good place on the charts which might give us our next 20 to 40 cent pop.

If you play your cards right, a straddle might be a good bet here.

If you don't know what a straddle is, call me or go do your own homework.

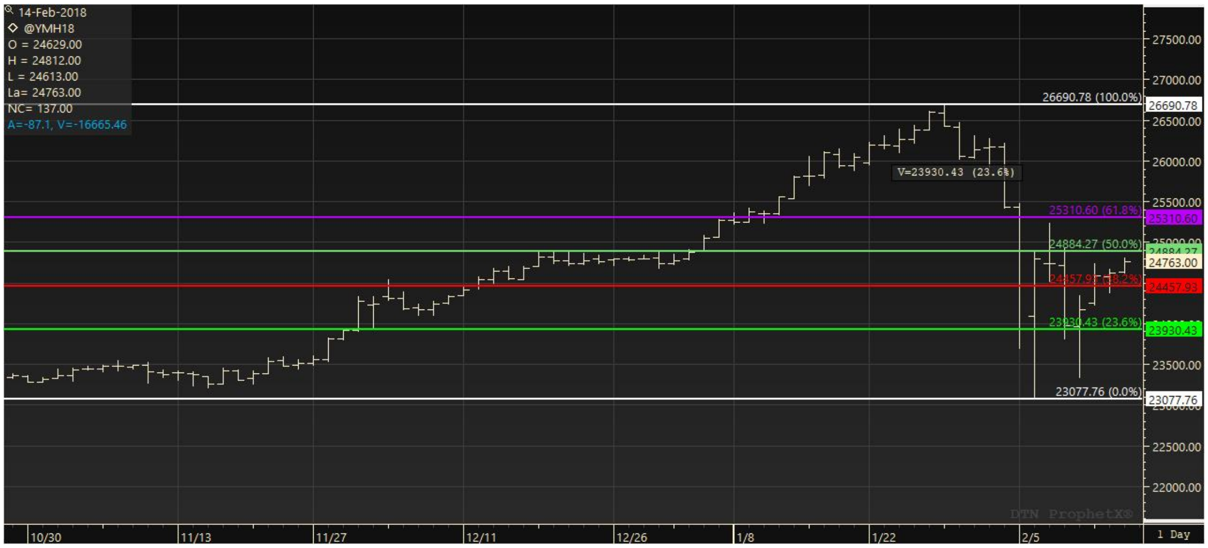
Finally, the stock indexes.

I could not resist pointing out the uncanny way Dr. Fibonacci has once again come into the market. 800 years ago Fibonacci came up with some uncanny mathematical observations. Books have been written about him. Do your self a favor and familiarize yourself with him. That's all i have to say about that.

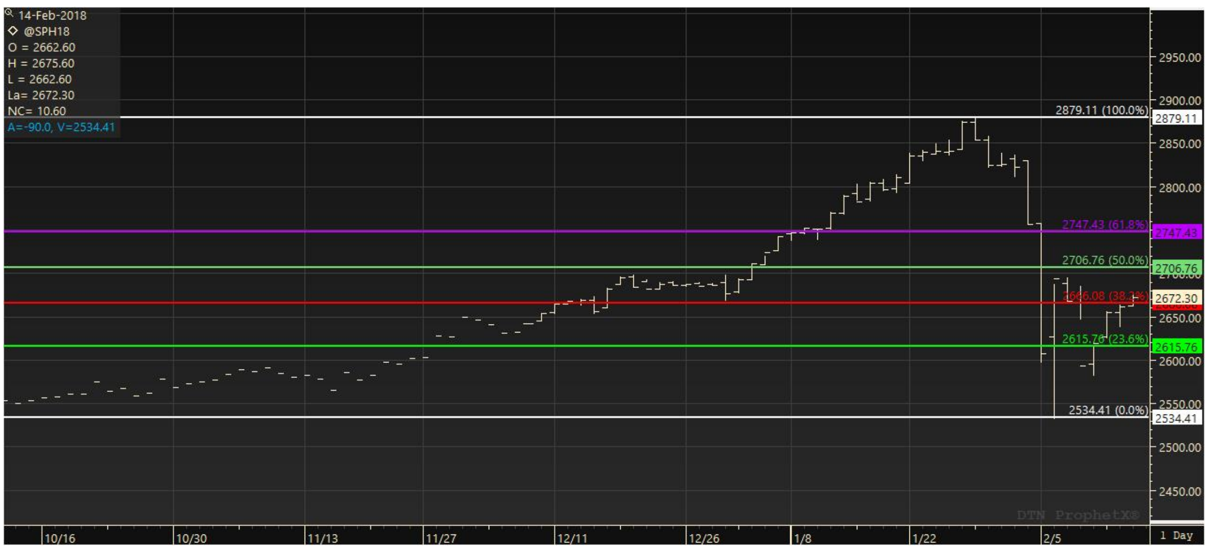
The recent machinations in the stock indexes has some Fibo's come to light.

Dow March futures, wild violent, found resistance on the rebound up. We broke 3600 points from top to bottom. The bounce, as you'll see, was almost a perfect 62% pullback. Food for thought if you sometimes think "there is no rhyme or reason" to volatile markets.

The rub against these retracements? They are subjective and they also "don't always work". In my judgment, ignoring these levels is a mistake. They should definitely be in your tool bag if you utilize technical indicators in the least bit.



The were not as "spot on" in the S&P March futures.



I can guarantee you though, if we rally higher, these numbers will come into play during the trading day.

As a speculator, they are invaluable touch stones. They do not always "work". But nothing in trading always "works".

If that indicator existed, there would be no uber drivers in the world, only millionaires sitting at cafe's. The cafe's would be self serve, however. Because, lets face it, there would be no wait staff either. :)

Have a great Wednesday.

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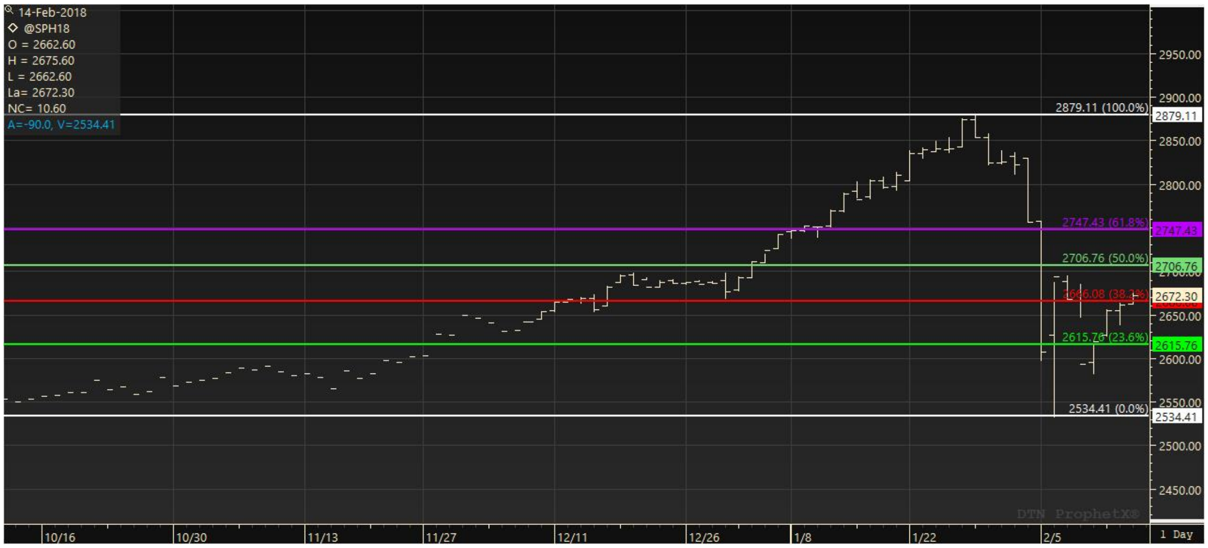

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